

Hospice Care in Medicare: Recent trends and a review of the issues

ISSUE: Use of the hospice benefit by Medicare beneficiaries has continued to grow rapidly. The Commission made several recommendations in 1999 and in 2002 on ways to make hospice care more accountable, both by publishing quality information and through the payment system. Now that the program represents a meaningful share of Medicare payments (more than 2 percent), the Congress and the Secretary may want to take steps to improve this program.

KEY POINTS:

During this meeting, we will provide data on recent trends in use of the hospice benefit and review the key policy issues:

- Use of the hospice benefit is rising—in 2002, 25% of decedents in the fee-for-service program used hospice, compared with 16% of decedents in 1998.
- Hospice use is highest among enrollees in managed care and among whites. Growth in use of the benefit has been among the oldest Medicare beneficiaries, consistent with earlier reports of the growth in the benefit among beneficiaries without cancer and who are residents of nursing homes.
- Despite growth in the use of the benefit, the distribution of short hospice stays has stayed constant—more than 25% of stays are shorter than one week.
- MedPAC has made several recommendations to improve the payment system for hospice, including developing a case mix measure.
- MedPAC also has called for development and use of quality measures for hospice.

ACTION: Commissioners should comment on the draft of the chapter for the June report. In April, we expect to supplement this chapter with data on hospice costs from the cost reports and with more information on the composition of the hospice provider sector.

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